

# APPENDIX.

## REPORT

### OF ARBITRATORS, ON THE FINANCIAL

### CONCERNS BETWEEN LOWER AND UPPER CANADA.

The Arbitrators on the part of the two Provinces, not being able to agree upon a basis for the division of duties; and a preliminary decision by the third Arbitrator, having in consequence become indispensable; which decision has established that of the comparative population, as the best criterion to be had, under the impossibility of ascertaining the comparative consumption.

The Arbitrator, therefore, for Lower Canada, under all the circumstances of the case, feeling the great importance to both Provinces of a definitive award now, in preference to a prolongation of the commission by adjournment to a period when it might be impracticable for the Arbitrators to re-assemble, consents that the present population of Lower Canada shall be considered and taken as amounting to four hundred and fifty thousand; but at the same time he retains his opinion, that the comparative population of the Provinces does not furnish an accurate basis for forming an estimate of consumption of dutiable goods therein respectively.

(Signed)

JOHN RICHARDSON,

*Arbitrator on the part of Lower Canada.*

*Montreal, 22d July, 1825.*

A true copy from the paper in the possession of the Third Arbitrator.

(Signed)

JOHN MACAULAY,

*Secretary to the Arbitrator for Upper Canada.*

WHEREAS, in pursuance of an Act of the Parliament of the United Kingdom of Great Britain and Ireland, made and passed in the third year of His present Majesty's reign, entitled "An Act to regulate the trade of the Provinces of Lower and Upper Canada, and for other purposes relating to the said Provinces," the honourable James Irvine was duly appointed by commission under the great seal of the Province of Lower Canada, bearing date the nineteenth day of July in the year of our Lord one thousand eight hundred and twenty-four, Arbitrator on the part of the said Province of Lower Canada, for ascertaining the proportion to be paid to Upper Canada, for the four years next succeeding the first day of July one thousand eight hundred and twenty-four, of duties levied in the said Province of Lower Canada under the authority of any act or acts passed or to be passed therein, upon goods, wares and commodities imported therein by sea. And whereas in pursuance of the said act of the Parliament of the said United Kingdom, the honourable James Baby was duly appointed by commission under the great seal of the Province of Upper Canada, bearing date the ninth day of September, in the said year one thousand eight hundred and twenty-four, Arbitrator on the part of the said Province of Upper Canada, for ascertaining the said proportion of duties hereinbefore mentioned. And whereas the said James Irvine and James Baby, the Arbitrators aforesaid, not having agreed in the appointment of a third Arbitrator, the honourable Ward Chipman, an inhabitant of the Province of New-Brunswick, was, in further pursuance of the said act of the Parliament of the said United Kingdom, by warrant under His Majesty's royal sign manual, bearing date at His Court at Windsor, the twentieth day of January in the year of our Lord one thousand eight hundred and twenty-five, duly appointed the third Arbitrator for ascertaining the said proportion of duties hereinbefore mentioned. And whereas the said James Irvine having become unable, by reason of ill health, to discharge the duties of his said appointment as Arbitrator as aforesaid, the honourable John Richardson was, in further pursuance of the said act of the Parliament of the said United Kingdom by commission under the great seal of the said Province of Lower Canada, bearing date the twenty-eighth day of June in the said year one thousand eight hundred and twenty-five, duly appointed Arbitrator on the part of the said Province of Lower Canada for ascertaining the said proportion of duties herein before mentioned, in the room and stead of the said James Irvine. And whereas the said three Arbitrators, that is to say, the said James Baby, the Arbitrator on the part of Upper Canada, the said John Richardson, the Arbitrator on the part of Lower Canada, and the said Ward Chipman, the third Arbitrator, met at Montreal in Lower Canada, on the fifteenth day of this instant month of July, and proceeded to take into consideration the matter referred to them, but the said John Richardson, the Arbitrator on the part of Lower Canada, cannot agree in opinion thereupon with the said other two Arbitrators:—NOW THEREFORE, We, the said Ward Chipman and James Baby, being a majority of the said Arbitrators, do hereby, in further pursuance of the said act of the Parliament of the said United Kingdom, make and certify our award in the premises in manner following, that is to say: We do award and determine that for the four years next succeeding the first day of July one thousand eight hundred and twenty-four, one-fourth part of the duties levied in the Province of Lower Canada, under the authority of any act or acts passed or to be passed therein upon goods, wares and commodities, imported therein by sea, shall be paid to the said Province of Upper Canada as the proportion of the same duties arising and due to the said Province of Upper Canada.—In Witness whereof we have hereunto set our hands and seals, at Montreal, in Lower Canada, this twenty-third day of July, in the year of our Lord one thousand eight hundred and twenty-five.

(Signed)

WARD CHIPMAN, (L. S.)

(Signed)

JAMES BABY, (L. S.)

The undersigned third Arbitrator having deliberately considered the answers of the Honourable the Arbitrators for the respective Provinces to the questions he had the honour to propose to them on the 18th instant, and having understood from them that nothing further is to be submitted on the part of either Province, begs leave to state his opinion as follows:

The undersigned was desirous in the first place that the Arbitrators should be furnished with evidence of the actual quantities of dutiable articles passing from the Lower into the Upper Province; which evidence, if obtained, would have furnished data for determining with precision the proportion of duties to be paid to Upper Canada. It is stated by both parties, that it is impracticable to obtain such evidence; it then becomes a question upon what principle an estimate of consumption shall be founded? The honourable the Arbitrator for Upper Canada maintains that the comparative population of the two Provinces afford a proper basis for this purpose. The honourable the Arbitrator for Lower Canada contends, that the division of duties, according to the scale of population, would be unjust because the relative consumption of rum, an article which is stated to be the chief source of the duties levied at Quebec is much greater in Lower than in Upper Canada, in which latter Province the spirits consumed are chiefly of domestic manufacture.

On the other hand the honourable Arbitrator for Upper Canada, while he asserts that the importation of rum into that Province, is still very considerable, contends that any supposed disproportion in the consumption of this article, is counterbalanced by a greater proportionate consumption in the Upper Province of other dutiable articles. But here again both parties acknowledge that it is impracticable to procure any satisfactory information as to the extent to which an estimate should be modified by the different degrees of consumption of different dutiable articles in either Province. It is to be observed also, that the honourable the Arbitrator for Lower Canada does not propose any other basis for an estimate of consumption in lieu of that of comparative population.